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RUEHSW/AMEMBASSY BERN PRIORITY 0109
RUEHBS/AMEMBASSY BRUSSELS PRIORITY 0435
RUEHCP/AMEMBASSY COPENHAGEN PRIORITY 0161
RUEHHE/AMEMBASSY HELSINKI PRIORITY 0223
RUEHN/AMEMBASSY OSLO PRIORITY 4169
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RUEHRO/AMEMBASSY ROME PRIORITY 0396
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RUEHBY/AMEMBASSY CANBERRA PRIORITY 0986
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RUEHIL/AMEMBASSY ISLAMABAD PRIORITY 7535
RUEHKT/AMEMBASSY KATHMANDU PRIORITY 5700
RUEHKL/AMEMBASSY KUALA LUMPUR PRIORITY 0340
RUEHLO/AMEMBASSY LONDON PRIORITY 4140
RUEHNE/AMEMBASSY NEW DELHI PRIORITY 1583
RUEHOT/AMEMBASSY OTTAWA PRIORITY 1227
RUEHFR/AMEMBASSY PARIS PRIORITY 0134
RUEHUL/AMEMBASSY SEOUL PRIORITY 0812
RUEHGP/AMEMBASSY SINGAPORE PRIORITY 5710
RUEHKO/AMEMBASSY TOKYO PRIORITY 3264
RUEHWL/AMEMBASSY WELLINGTON PRIORITY 0029
RUEHCG/AMCONSUL CHENNAI PRIORITY 8134
RUEHCI/AMCONSUL KOLKATA PRIORITY 0366
RUEHBN/AMCONSUL MELBOURNE PRIORITY 0024
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C O N F I D E N T I A L SECTION 01 OF 03 COLOMBO 001565

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DEPT FOR SCA/INS, S/CT, AND EEB/ESC/TFS
TREASURY/TSDN FOR J PHILIPP, P LURIE AND M DRAKE

E.O. 12958: DECL: 11/16/2012

TAGS: KTFN PTER PREL SL

SUBJECT: SRI LANKA: TRO DESIGNATION WELCOMED BY GOVERNMENT

REF: SECSTATE 156467 & SECSTATE 156985

Classified By: Ambassador Robert O. Blake, Jr. for reasons
1.4 (b) and (d).

11. (C) Summary and comment: Ambassador informed the Government of Sri Lanka the evening of November 15 of the forthcoming U.S. designation of the Tamils Rehabilitation Organisation shortly before Treasury's Washington announcement of the Executive Order 13224 designation. The government welcomed the move and thanked the United States for its support against the Liberation Tigers of Tamil Eelam.

Major newspapers reported the U.S. freeze TRO assets on their front pages. The Ambassador held a press conference the day after the Treasury action to describe the U.S. measures and their implications. The Australian, Canadian, and British High Commissioners appreciated receiving advance notice of the U.S. action. Each predicted accurately that

the government would seek to make maximum political gain from the designation. End summary and comment.

GOVERNMENT WELCOMES TRO DESIGNATION

¶2. (C) Ambassador informed Sri Lankan Foreign Secretary Palitha Kohona by telephone at 7:30pm Colombo time November 15 that the United States Treasury was about to announce designation of the Tamils Rehabilitation Organisation (TRO) under Executive Order 13224 (reftel). Kohona said the news would be very welcome and thanked the United States for its continued strong support of Sri Lanka as it defends itself against the ethnic separatist Liberation Tigers of Tamil Eelam (LTTE).

¶3. (U) The government-run Daily News today quoted Foreign Minister Rohitha Bogollagama saying that "the United States was the first government to take tangible action against an LTTE front organization." Bogollagama added "As has been pointed out by Sri Lanka for some time, the proscription of the LTTE has been undermined by the continuing ability for front organisations of the LTTE, particularly the TRO, to continue collecting funds to beef up the LTTE arsenal." Press reports later in the day cited Bogollagama saying that the government would ban all TRO activity in Sri Lanka.

MEDIA GIVE FRONT PAGE COVERAGE

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¶4. (U) Major Sri Lanka newspapers today reported the U.S. TRO designation as front page news. The Ambassador also held a press conference today to discuss the U.S. action against the TRO. In his prepared remarks he emphasized that the United States was committed to enforcing its laws against support for designated terrorist groups wherever they operate. He explained the basis for the U.S. designation of the TRO and noted that it was "an action against the LTTE, not against the Tamil people." He affirmed U.S. "support for a just, negotiated political settlement to the conflict that meets the aspirations of all communities, including Sri Lanka's Tamils."

¶5. (U) In response to a reporter who cited a Tamil National Alliance statement that the TRO designation would encourage the government's "military agenda," the Ambassador disagreed, stating the designation was an action against the financing of terrorism and did not change the U.S. view that no military solution to the conflict was possible. To a question regarding the view that the LTTE had in the past not negotiated for peace in good faith, the Ambassador noted that the United States' recent provision of radar and small craft was intended to make the LTTE realize that it would not become easier for the group to replenish its arms, and that the LTTE should not expect to get a better political deal by prolonging the conflict. Asked the value of the TRO assets frozen, the Ambassador replied that we do not release that information.

TAMIL HERO SAYS PEOPLE WILL SUFFER

¶6. (SBU) Also today, Ambassador met with elderly Sri Lankan Olympic and cricket hero Nagalingam Ethirveerasingham, a Tamil who has close connections to the TRO and some in the LTTE leadership. Ethirveerasingham was subdued about the TRO designation, saying it came as a surprise. He added that the impact of the freeze was less significant to the LTTE than to displaced persons and tsunami victims, who would suffer as a result of it. He said he hoped the TRO might be able to establish that it was fully independent of the LTTE, just as his own sports organization had by having its own governing council, financial means, and operations manual. He expected that TRO would engage lawyers to explore appeal or

de-listing.

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AUSTRALIA, CANADA, UK NOT SURPRISED

¶ 17. (C) DCM and EconOff on November 15 informed the Australian, Canadian, and British High Commissioners of the forthcoming TRO designation. None had heard from their capitals about consultations that the USG had initiated on the topic, but they were not surprised to hear of the United States' planned action. All agreed that TRO does genuine humanitarian work but appeared likely to have functional links to the LTTE. Australian High Commissioner French said that his government had conditioned financial assistance to partners in Sri Lanka on none of the money going to the LTTE or the TRO. Canadian High Commissioner Bogdan thought the U.S. freeze on TRO might cause the group to shift its activities to Canada to make up the shortfall in revenue from the United States. Acting British High Commissioner Owen-Edmunds asked what the implications of the asset freeze would be on multilateral organizations like UNICEF, some of which worked with the TRO.

¶ 18. (SBU) Action Request: Post would still welcome guidance, if possible, on the implication of the designation for multilateral organizations like UNICEF which funded TRO relief work in the past. We do not have details, but it appears possible that some multilateral agencies may continue to have programs involving TRO as an implementing partner.

¶ 19. (C) Comment: Post will report further on media, government, and public reactions to the TRO designation. It is already clear that, as expected, the government is playing the U.S. action as a major show of support for the government and against the LTTE. Tamil politicians are also reacting through a political lens. Upcountry People's Front Member of Parliament P. Radhakrishnan, who is a member of the governing coalition, told PolOff he was disappointed with the U.S. action, which would "strengthen the hand of the government against minorities."

BLAKE